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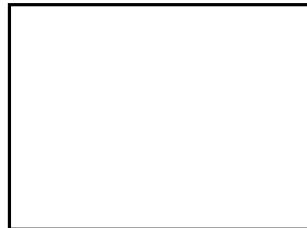
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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday 28 September 1977 CG NIDC 77/226C

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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Wednesday, 28 September 1977.

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[REDACTED] The NID Cable is for the purpose of informing senior US officials.

CONTENTS

ISRAEL: Settlement Controversy Page 1

USSR: Nuclear Proliferation Page 1

PANAMA: Treaty Ratification Page 2

SOUTH AFRICA - NAMIBIA: Troops Page 4

25X1

[REDACTED] LIBYA-JORDAN: Diplomatic Ties Page 6

25X6

[REDACTED] EC-USSR: Fishing Negotiations Page 10

INTERNATIONAL: Sugar Negotiations Page 11

USSR-UN: Gromyko's Speech Page 13

BRIEFS: Page 14

France-USSR
Sudan

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[REDACTED] USSR

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Approved For Release 2007/03/07 : CIA-RDP79T00975A030300010082-4

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ISRAEL: Settlement Controversy

25X1 [redacted] Militants in Israel's Gush Emunim religious group reportedly are threatening to establish additional settlements on the West Bank, perhaps as early as today, despite the opposition of the group's leaders and Prime Minister Begin.

25X1 [redacted] Begin has emphasized to the Gush leadership that he will not tolerate, even tacitly, the establishment of new settlements not approved in advance by the government. In an attempt to keep the Gush leadership on his side, Begin may have given the group private assurances that he intends to approve at least a few new Gush settlements in the near future.

25X1 [redacted] Thus far, Gush leaders appear inclined to stand by the agreement they reached last week with Begin not to set up any settlements without prior government approval. A small number of Gush zealots, however, remain disgruntled over Begin's refusal to approve the immediate establishment of new settlements.

25X1 [redacted] On the issue of new settlements, Begin has been trying to steer a middle course between US objections and pressure from the Gush. He is intensely jealous of his prerogatives as prime minister, however, and would regard unauthorized Gush settlements as a direct challenge. Independent action by Gush extremists--particularly while Foreign Minister Dayan is holding talks in the US--would embarrass Begin and increase his vulnerability to attacks by opposition parties.

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USSR: Nuclear Proliferation

25X1 [redacted] Public remarks by Soviet leaders yesterday reflect a new sense of concern over the proliferation of nuclear weapons. In a message to the International Atomic Energy Agency, President and party leader Brezhnev said that the need to prevent the spread of nuclear weapons "has never been more pressing." Brezhnev's remarks apparently were timed to complement Foreign Minister Gromyko's discussion of nuclear proliferation at the UN.

25X1 [redacted] In bilateral meetings last week with the US delegation, the Soviets said that they were considering withdrawing from the multilateral forum in favor of unspecified separate approaches to achieve their nonproliferation objectives. As the

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reason for their consideration of withdrawal from the London talks, the Soviets pointed with particular displeasure to France's unwillingness to accept comprehensive safeguards on its nuclear exports.

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[redacted] The USSR's unhappiness over the French nuclear export policy may, in turn, be related to its concern over nuclear developments in South Africa. In contrast to their relatively restrained criticism of US - South African links in the nuclear field, the Soviets have singled out France and West Germany as the principal supporters of the South African nuclear effort.

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[redacted] While Moscow is genuinely disturbed by South African nuclear development, it may also see an opportunity to damage US relations with France and West Germany, at little cost to itself, by approaching the US directly on nonproliferation. [redacted]

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PANAMA: Treaty Ratification

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[redacted] //Chief of Government Torrijos' confidence in the outcome of Panama's plebiscite on the canal treaties scheduled for 23 October is reflected in his decision to embark on an extended foreign trip that is designed almost wholly to improve ratification prospects in the US. At home, Torrijos' decision to allow some free-wheeling debate on the treaties has uncorked nine years of pent-up political passions and an unaccustomed level of criticism, but the Panamanian strongman appears to have few doubts about his control.//

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[redacted] //Torrijos' somewhat hastily arranged 21-day trip to the US, Canada, Israel, and seven West European countries is already under way. The highlight is this week's four-day visit

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to Israel; Torrijos clearly is counting on this visit to generate Jewish support in the US for the canal pacts and to counteract negative reactions both at home and abroad from his trip to Libya last April. The rest of the trip is intended to point up, for US audiences, the extent of international support for the treaties.//

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[redacted] //The decision by Torrijos to be absent from Panama for three weeks and to miss the celebrations of the ninth anniversary of his coup underscores his extreme confidence. Although there is little prospect of a negative plebiscite vote, there remains the outside chance that Torrijos' opponents could spark antitreaty demonstrations.//

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[redacted] //In addition to criticism of the treaties by Panamanian students, exiles, and ultranationalists, the still-outlawed political parties have publicly complained of government repression. Even so, Torrijos so far has remained true to his pledge to permit generally open debate and has--at least initially--facilitated access to the media by treaty opponents.//

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[redacted] //Torrijos promised to appear at a scheduled university meeting, but he later abruptly--and probably wisely--postponed his appearance. The top treaty negotiators sent in his place presided over a debate that turned into a debacle in front of an unruly and frequently booing student audience.

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[redacted] //The government has been widely criticized for the date it set for the plebiscite. Even columnists in government-controlled dailies have complained about the limited time allowed for debate and the scheduling of the vote at the height of the rainy season.

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Approved For Release 2007/03/07 : CIA-RDP79T00975A030300010082-4

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SOUTH AFRICA - NAMIBIA: Troops

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[redacted] After five days of hard bargaining in Pretoria with the five-nation Western contact group, South Africa has moved a little closer toward meeting the demand that it withdraw its troops from Namibia before the territory's independence. The South Africans have come up with a tentative proposal substantially to reduce their military presence in the territory. The plan appears to fall far short of the minimum requirements for an internationally acceptable solution, but at least it offers a basis for continuing the discussions on a Namibian settlement. Still unresolved are a date for elections, the role of ethnic troop units and of white commando and citizen units in Namibia, and the framing of an acceptable formulation for UN supervision and control during the transition period.

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[redacted] South Africa has tentatively agreed that by 15 February 1978 it will reduce its uniformed troops from their present strength of 23,000 to 4,000, of which 1,400 would be combat troops restricted to isolated areas in the north. Most of the troops would be moved to a location in South Africa not far from the Namibian border.

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[redacted] The plan is predicated on a peaceful situation in Namibia. It is also contingent on obtaining an agreement from the South-West African Peoples Organization for the return of some 120 school children who have been abducted by SWAPO and the release of dissaffected SWAPO guerrillas detained in Tanzania and Zambia. In return, South Africa says it would release Namibian detainees in South Africa and Namibia.

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[redacted] SWAPO has already agreed in principle to a cease-fire, but only if South Africa withdraws all its troops. The withdrawal proposal, however, does not take into account local or regional forces and does not include white commando and citizen force units, which are armed with South African weapons.

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[redacted] During the talks, South Africa also retreated from demands that the Cuban forces in Angola be banned from southern Angola but said that if the Cubans moved against Namibia, South African troops would return in large numbers.

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[redacted] The South African proposal envisages the appointment of UN military observer teams to monitor both sides of the Namibian-Angolan border, starting as early as 1 November. The South Africans do not want a UN military force in Namibia and will not accept a UN contingent from sub-Saharan Africa.

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[redacted] The date for elections in Namibia still remains a point of contention. Prime Minister Vorster wants elections as early as possible before SWAPO can gain predominant influence, and much of his strategy has been based on forcing the UN to schedule an election soon. The Western contact group, however, wants the voting late in 1978 in order to give time for adequate UN preparations for fair elections. Vorster is now insisting on mid-March 1978 as the latest possible date, although he has not closed the door completely on a slightly later date.

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[redacted] The South African plan for troop withdrawal is a major concession. In drafting the proposals, however, South Africa can be expected to use language as favorable as possible to its objective of obtaining a settlement in Namibia without giving up its influence there. Given the number of factors that must be resolved before independence, an internationally acceptable settlement does not appear imminent.

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LIBYA-JORDAN: Diplomatic Ties

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//Libya and Jordan have upgraded their diplomatic ties with the arrival last week of a Libyan ambassador in Amman. The two countries had formally reestablished diplomatic relations in 1976. Jordan's agreement to upgrade ties

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followed months of Libyan-initiated negotiations, which apparently culminated in Jordan dropping a demand that Libya honor past aid commitments to Jordan. Although the two sides will continue to negotiate the aid issue, it is unlikely that these long-time enemies will be able in the near future to strike a bargain of much consequence for either side.//

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[redacted] Libya broke relations with Jordan in 1970 to protest the forced expulsion of Palestinian commandos from their bases in Jordan. Libya also ended \$35-million yearly aid payments to Jordan. For the next several years the Libyans--in collaboration with various Palestinian groups--carried out numerous subversive and terrorist operations against the Jordanian Government, including several attempts to assassinate King Husayn.

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[redacted] //By 1975, Libya's desire to ease its deepening isolation in the Arab world led to quiet overtures to Jordan. The two sides reached an agreement in mid-1976 to restore diplomatic ties, but Jordan's insistence that Libya make back payments on its aid commitment stalled further efforts to normalize relations.//

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[redacted] The Jordanians remain deeply suspicious of President Qadhafi, but finally agreed to exchange ambassadors in the hope that this would help break the impasse over the resumption of aid. The Libyans, for their part, would like to strengthen their position throughout the Arab world and, in the process, to sow discord between Egypt and its moderate allies. Specifically, Libya would like to encourage Jordanian-Syrian cooperation at Egypt's expense. [redacted]

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Approved For Release 2007/03/07 : CIA-RDP79T00975A030300010082-4

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Approved For Release 2007/03/07 : CIA-RDP79T00975A030300010082-4

EC-USSR: Fishing Negotiations

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[redacted] //The EC yesterday suspended the decision EC foreign ministers made last week to allow Soviet boats to continue fishing in EC waters after 1 October. The suspension followed Soviet expulsion of at least four British and French trawlers from the Barents Sea on Saturday, and a subsequent Soviet note to the EC calling for a sharp cutback in fishing by EC countries there.//

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[redacted] //Negotiations between the EC and the USSR on fishing rights in one another's 200-mile economic zones are stalled, mainly because the Soviets want to avoid a framework agreement that would explicitly acknowledge the EC as their treaty partner and would explicitly include West Berlin in the treaty's area of application. The Soviets probably hoped to obtain repeated EC renewal of temporary licensing arrangements for Soviet fishing boats without concluding a framework agreement.//

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[redacted] //To underline their leverage, the Soviets last month threatened to cut back EC fishing in the Barents Sea by 90 percent, but then backed off. Early this month they hinted that the West Berlin problem in the framework agreement negotiations might be resolved at a meeting between Soviet President Brezhnev and West German Chancellor Schmidt late this fall. That meeting, however, could be delayed for some time. The Soviets refused, meanwhile, to send their Minister of Fisheries to the latest round of talks with the EC in Brussels two weeks ago.//

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[redacted] //Last week, the EC foreign ministers reacted strongly to the Soviet delaying tactics by proposing that licenses for Soviet boats be extended for only two months from 1 October, rather than the usual three months, and by warning that if the framework agreement talks made no progress during the two-month period, the Soviets could face a cutoff of their fishing rights in all EC waters. The ministers also agreed to reconsider even the two-month extension of licenses if the Soviets renewed pressure on EC fishing in the Barents Sea.//

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[redacted] //EC officials regard the Soviet moves last weekend as a reply to their own tough stance. The decision yesterday to suspend Soviet fishing rights was sparked by a British initiative. The British have advocated a soft line on the Berlin issue in order to get an agreement with the Soviets that would

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protect British fishing resources, but now British officials and legislators may see the latest Soviet moves as an opportunity to push the Soviets out of EC waters entirely.//

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[/A decision to expel the Soviets would be difficult for the EC to enforce.]

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INTERNATIONAL: Sugar Negotiations

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[/Australia, Brazil, and Cuba--the three leading sugar exporters--remain deadlocked over the allocation of free market quotas as sugar negotiations in Geneva enter their final stage. The three countries must reach a compromise on this issue if they are to keep already depressed sugar prices from sinking to new depths.//

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[/Brazil, the world's largest sugar cane producer, is extremely dissatisfied with its proposed export quota of 2.3 million tons and has threatened to withdraw from the negotiations. Australia, a growing exporter, is also unhappy with its 2.4-million-ton quota and has sided with Brazil in demanding a more equitable quota distribution. Cuba, the world's largest sugar exporter, has the biggest quota--2.45 million tons. More than half of Cuba's sugar exports, however, are sold under special arrangements to the USSR and other Communist countries.//

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[/A successful conclusion to the sugar negotiations hinges on settlement of the quota issue. Although the EC has just agreed to accept some form of sugar export limitations, an agreement still cannot be reached unless there is a compromise on quotas among the three leading exporters. Failure to reach an agreement at the current session could prove disastrous to financially depressed sugar producers. Sugar prices already have sagged badly with the news that the conference is stalemated.]

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THAILAND: Military Appointments

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[/The announcement of new appointments to senior positions in the Thai Army probably will bring a period of unity and calm to a service that has been beset by unrest and uncertainty since the death of Army Commander Krit more than

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a year ago. The new list, to take effect on 1 October, follows months of speculation and a recent flurry of coup rumors. As anticipated, General Kriangsak has moved up to Supreme Commander of the Armed Forces, General Soem will remain as Commander of the Thai Army, and General Yot will move up from Assistant Commander to Deputy Commander.//

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//Perhaps the most important aspect of the appointments is the reappointment of General Soem as army commander. Soem is not a dynamic or particularly popular leader; over the past year his authority has been undermined by General Yot's aggressive campaign for his job--politicking that has also disrupted the unity of the ruling military council. With the issue now settled and further maneuvering by Yot foreclosed by his scheduled retirement next year, subordinate troop commanders should fall in line behind Soem.//

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//Kriangsak has long dominated the Supreme Command, and his promotion does little more than formalize that fact. Real political power, however, does not lie in the Supreme Command but in the Army. While Kriangsak's influence over government policy as a power broker should remain considerable, his promotion does not advance his political ambitions, which remain handicapped by the fact that he is a long-time staff officer. He has had no command of troops or the network of loyalties that comes from line commands.//

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//General Yot is being replaced as Assistant Army Commander--the number-three slot--by General Prem Tinsulanon, currently the commander of the Second Army in Thailand's insurgency-troubled northeast. Prem appears to be a comer; he is popular with the troops and well regarded by his peers and superiors.//

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//Prem's performance in the northeast has been aggressive and intelligent, producing gains against the Communists for the first time in years. He reportedly is well thought of by the King--an endorsement not strictly necessary for advancement but one that cannot hurt--and is highly respected within the army for his professionalism, a unique quality among senior generals in the politically oriented Thai Army. 25X1

USSR-UN: Gromyko's Speech

25X1 [redacted] Soviet Foreign Minister Gromyko's speech to the United Nations General Assembly yesterday provided a general review of the international scene from the Soviet perspective. For the most part, his remarks were a familiar recitation of the Soviet position on various international problems. He did, however, signal a new Soviet position in the negotiations to achieve a complete test ban agreement. He also affirmed the Soviet desire for improved Soviet-US relations and for a SALT agreement. He nevertheless characterized the original US proposals for SALT in very negative terms and argued that the US decision to deploy the cruise missile greatly complicates achieving an agreement because of the verification problems it creates.

25X1 [redacted] After mentioning previous Soviet efforts to halt all nuclear weapons tests, Gromyko noted that the USSR was willing to take an additional step. "Under the arrangement with the United States and Great Britain," he said, "we agree to suspend for a certain period of time underground nuclear weapons tests even before the other nuclear powers accede to the future treaty."

25X1 [redacted] This suggests that the Soviets may now be ready to back off from their previous insistence that China and France be included in any complete test ban agreement with the US and UK. He did not, however, indicate any Soviet movement on such issues as verification and peaceful nuclear explosions, which must be resolved before a complete test ban treaty can be agreed on.

25X1 [redacted] Gromyko characterized the current state of Soviet-US relations as experiencing "certain stagnation if not a downright slump." He tempered in comments by noting President Carter's hopes for improved relations and quoting President Brezhnev's statement that the USSR will "willingly seek mutually acceptable solutions."

25X1 [redacted] The Foreign Minister sarcastically implied that the US had purposefully proposed "comprehensive disarmament recipes," which were known in advance to be unacceptable to the Soviet Government. He said this was done in order to gain a propaganda advantage and to justify an arms buildup. Although Soviet propaganda has made similar charges before, Gromyko is the first Soviet leader to imply publicly that the proposals presented to the USSR in March were intended only to "camouflage" ulterior US objectives.

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[redacted] Gromyko also attacked the US for backing away from the agreements achieved at Vladivostok. He charged that the US decision to deploy the cruise missile will open a "new channel in the strategic arms race" which will lead to "greater rivalry," "less security," and "greater danger for peace."

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[redacted] In themselves, these charges about the US cruise missile decision are not new. However, Gromyko also raised publicly, for the first time by a Soviet leader, an additional aspect of Soviet unhappiness with the US decision. He argued that the cruise missile decision greatly complicated the arms limitation talks because such a weapon "hardly lends itself to verification or does not lend itself to verification by the other side." This situation, he said, "could spell extreme danger in the military and political fields."

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[redacted] Finally, Gromyko repeated the now almost customary Soviet lecture about the US stance on human rights. While most of his comments on this subject probably reflect a Soviet effort to use the UN forum to seize a propaganda initiative on the subject, his remarks reflect Soviet sensitivity as well. Condemning efforts to "sermonize" or "interfere" in Soviet affairs, he said such efforts will only create a "spirit of psychological warfare" that can "poison the international atmosphere and sour relations between states."

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BRIEFS

France-USSR

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[redacted] Prime Minister Barre begins a four-day visit to the USSR today at the head of France's delegation to the annual meeting of the French-Soviet scientific, technical, and economic "grand commission." The trip--like his visit to the US earlier this month--is one of the "important international missions" Barre is undertaking to boost the government's image before the legislative election next March.

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[redacted] The talks will concentrate on economic issues, such as disagreements over landing rights in Moscow for the French airbus and interest rates for French export credits. The French

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probably hope, however, that private Soviet statements in support of a government victory over the Left Alliance in the election next year will be translated into special treatment for Barre.

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[redacted] The Soviets are aware that the level and warmth of their reception of Barre will be exploited by the French Government in its campaign. The manner in which the Soviets receive him will indicate how far they are prepared to go to back up their private statements.

Sudan

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[redacted] Sudanese dissident Sadiq al-Mahdi returned to Khartoum last night after seven years in exile. A former prime minister and the leader of right-wing opposition to President Numayri, he was pardoned by Numayri in August after acknowledging responsibility for organizing last year's abortive coup attempt.

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[redacted] Sadiq claims the allegiance of some 6,000 Ansar dissidents in Ethiopia and 2,000 more in Libya. Numayri hopes Sadiq's return will thwart Libyan and Ethiopian efforts to use the Ansars to undermine his government. Sadiq did stop off in Tripoli to confer with Libyan President Qadhafi en route home from his exile in London.

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[redacted] Numayri and Sadiq met in Port Sudan in early July to set in motion the events leading to the latter's return to Khartoum. [redacted]

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USSR

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[Redacted] The draft of the new Soviet constitution took another procedural step forward yesterday when a meeting of the USSR constitutional commission formally approved the text and a number of amendments. They will be submitted to the special session of the USSR Supreme Soviet that reportedly will open on 4 October.

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[Redacted] Speaking at the commission meeting, President and party leader Brezhnev praised the work put into the document since the draft constitution was published four months ago and subjected to nationwide "discussion." As chairman of the constitutional commission, Brezhnev stressed that none of the proposals for amending the draft had been disregarded, though some had been found to be "in essence unacceptable." Brezhnev's largely ceremonial remarks, in the form of a final report on the constitutional commission's work, underscored his personal sponsorship of the new basic law.

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[Redacted] A Central Committee plenum is expected to convene on Monday to give formal party approval to the draft constitution and to the Supreme Soviet proceedings that will follow. [Redacted]

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